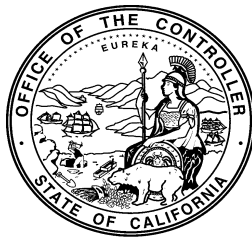


2000

Property Tax Postponement Application and Instructions

For Senior, Blind or Disabled Citizens



KATHLEEN CONNELL
California State Controller

May 2000

Filing Period: May 15 – December 11, 2000

PROGRAM SUMMARY

The Property Tax Postponement Program, administered by the Division of Collections, State Controller's Office (SCO), enables eligible homeowners to postpone payment of their county property taxes. Repayment is due when the home is sold, the homeowner dies, title is passed to an ineligible person, or senior liens are allowed to become delinquent. Interest is computed on the postponed taxes monthly and is added to the amount of the state lien.

The homeowner must file for postponement each year and provide supporting documentation. The application and instructions are included in this booklet.

This program is separate from the Homeowner Assistance Program, administered by the Franchise Tax Board. Homeowners may participate in both programs if they qualify.

To obtain more information about the Property Tax Postponement Program:

Call (800) 952-5661 or (916) 327-5587

or

Visit the SCO's Web site at <http://www.sco.ca.gov> (click on Tax Information).

PRIVACY NOTIFICATION

The Information Practices Act of 1977 and the Federal Privacy Act require the State Controller's Office to provide the following notice to individuals who are asked to supply information.

The purpose for requesting information is to administer the Property Tax Postponement Law of the State of California. The applicants' Social Security numbers must be included to provide proper identification, to permit processing of the applications, and to efficiently administer the Property Tax Postponement Program.

The information requested on the forms and accompanying instructions is required to enable the State Controller's Office to determine eligibility. Failure to furnish the specific information requested may result in denial of the application, delay in the approval of property tax postponement, or other disadvantages to the applicant.

Information furnished on the postponement claim may be transferred to other governmental agencies as authorized by law, e.g., the Board of Equalization, the Attorney General, the Board of Control, the Department of Finance, and the Franchise Tax Board. Individuals have the right to review their own records maintained by the State Controller's Office.

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Program Description

The Property Tax Postponement Program, administered by the State Controller's Office, allows eligible homeowners to postpone payment of part or all of the property taxes on their residence. Once the homeowner completes the claim form enclosed in this booklet and it is approved, Certificates of Eligibility are mailed to the homeowner. The homeowner must mail or take the certificates to the county tax collector's office in order to defer the property taxes due.

To secure the postponed amount, a lien is recorded against the property. Interest is charged on the postponed taxes. The postponed amount and interest are not due until: (1) you move from the qualified property; (2) you sell or convey title to your home; (3) you die and you do not have a spouse or other qualified individual who continues to reside in the home; or (4) future property taxes or other senior liens are allowed to become delinquent. However, you may pay all or part of the obligation at any time.

Eligibility Requirements

To be eligible for property tax postponement, you must meet each of the following requirements.

Age, Blindness, or Disability

You and all other recorded owners (except spouse and direct-line relatives) must be either 62 years of age or older as of December 31, 2000, or be blind or disabled at the time of application. If you are disabled, your disability must be expected to last for a continuous period of at least 12 months.

Direct-line relatives are defined as (a) parents, children, or grandchildren of the claimant and/or the claimant's spouse, and (b) the spouses of the relatives named in (a).

Occupancy

As of December 31, 1999, you and all other recorded owners (except spouse and direct-line relatives) must have owned and occupied, as your principal place of residence, the property for which property taxes are to be postponed.

Income

Your ***total*** household income for calendar year 1999 must not exceed \$24,000. However, if you applied and qualified for tax postponement for the 1983-84 tax year, your income must not exceed \$34,000.

Household income means income by all persons who lived in your home during 1999, except minors, students, and renters.

Equity

The owners must have a combined 20% equity interest in the home at the time of application. The application cannot be approved if the liens, deeds of trust, mortgages, or other encumbrances against the home amount to more than 80% of its fair market value as determined by the State Controller.

Property Tax Bill

You must submit a copy of your secured property tax bill, which is mailed by the county tax collector on or before November 1 of each year.

EXCEPTION: If you are a tenant stockholder of a cooperative housing corporation and meet the program eligibility requirements, the State Controller's Office will mail you a Notice of Election to Postpone and a Recognition Agreement that must be completed and executed by you and an officer of the housing corporation.

Delinquent Taxes

If you are 62 or older and owe delinquent taxes for prior years, you must pay the county tax collector for all taxes that become delinquent prior to your 62nd birthday.

For blind or disabled persons, prior-year delinquent taxes are not eligible for postponement. All prior-year delinquent taxes must be paid at the time the Certificates of Eligibility are used to pay the current year's taxes.

Interest Rate on Postponed Taxes

Interest is computed monthly on postponed amounts on a simple interest basis (the annual interest rate divided by 12). Interest continues to accrue on the postponement account until all postponed taxes plus interest are repaid to the State. Each year's postponement may have a different applicable interest rate, as shown in the table below.

<u>Fiscal Year</u>	<u>Rate</u>
1977-78 – 1983-84	7% per annum
1984-85 – 1986-87	10% per annum
1987-88 – 1988-89	7% per annum
1989-90 – 1991-92	9% per annum
1992-93	6% per annum
1993-94 – 1999-00	5% per annum

The rate of interest is set in July of each year, and the rate applies only to that particular year's postponed taxes. The rate of interest is determined by the annual yield in the State's Pooled Money Investment Account. For the current rate of interest, call the Controller's Office after July 15, 2000.

Homeowner Assistance Program

The Homeowner Assistance Program is a separate and distinct program administered by the Franchise Tax Board (FTB). You may participate in both programs if you qualify. Any homeowner's assistance you receive will be deducted from the amount of the State's lien on your property.

To obtain a Homeowner Assistance claim form (FTB9000), contact FTB at (800) 852-5711. The filing period for the Homeowner Assistance Program is May 16, 2000, through August 31, 2000.

Account Transfer to New Residence

If you pay your postponement account in full and purchase a new residence, you may be eligible to reborrow the amount you repaid to the State by submitting an application of transfer within six months after the postponement account was paid. Call the Controller's Office to request an application. If your application is approved, you will be sent a refund and a new lien will be recorded against your new residence.

Subordination Provisions

If you refinance your home loan or obtain a new loan against the property on which you have postponed taxes, it may not be necessary to pay the State's lien. The Controller's Office may subordinate to the new loan if it determines that subordination is appropriate.

Your lender must agree to the subordination. If you do not wish to pay off the State's lien, have your lender contact the Controller's Office for further instructions.

Account Statement

A statement of your postponed property tax account is provided to you each year. If at any time you wish to obtain a statement of your account, call (800) 952-5661 or (916) 327-5587, or write to the State Controller's Office at the address shown on page 5.

Payments

You may make payments on your postponed property tax account in any amount at any time. All payments received are applied first toward accumulated interest and then toward the outstanding principal balance (postponed tax amount).

Make your check or money order payable to Kathleen Connell, State Controller, and mail it to the address shown on page 5.

Obtaining and Using Certificates of Eligibility

When the State Controller's Office approves a claim for property tax postponement, the homeowner is sent two Certificates of Eligibility. The homeowner completes the certificates and submits them to the county tax collector to postpone all or part of the property taxes that are due.

When to File

The filing period for the Property Tax Postponement Program is May 15 through December 11, 2000. To avoid delinquent penalties assessed by the county tax collector, your claim must be postmarked no later than December 11, 2000, and it must be approved.

The State Controller's Office may grant a reasonable extension of time for filing a claim if good cause exists, but not beyond June 30, 2001.

Please file early. You do not have to wait for your 2000-2001 county property tax bill to arrive in October before filing for property tax postponement. Simply enclose a copy of your tax bill for the previous year. There may be a delay of six to eight weeks in processing claims received after September 30, 2000.

You must file a claim each year that you wish to participate in the program. Only one claim may be filed per household.

Required Documentation

Applicants for property tax postponement are generally required to enclose, with their claim form, documentation of age, blindness, or disability, along with a copy of the property tax bill. Other documentation may be required, depending on the nature of your property, how it is owned, and the homeowner's income situation. (See pages 8-9.)

Where to File

Mail your completed claim and required documentation to the following address:

Kathleen Connell, State Controller
Division of Collections
Property Tax Postponement Program
P.O. Box 942850
Sacramento, CA 94250-5880

Approved Application

If your application is approved, you will be sent two Certificates of Eligibility (see example below), one for each tax installment. The certificates are made payable to you and the county tax collector and may be used to postpone all or part of the taxes on your home.

Sign the back of the certificates and present or send them to your county tax collector's office. The tax collector will accept them as payment for your property taxes.

The State Controller's Office will begin mailing certificates in November 2000.

Example of Certificate of Eligibility

STATE OF CALIFORNIA																
1ST INSTALLMENT – FY 00/01 DUE BY DECEMBER 10, 2000 CERTIFICATE VOID AFTER 6-30-01		<u>90-1342</u> 1 2 1 1		CERTIFICATE NUMBER 050-093081												
CERTIFICATE OF ELIGIBILITY FOR PROPERTY TAX POSTPONEMENT																
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 2px;"> PAY TO THE ORDER OF TAX COLLECTOR COUNTY OF SACRAMENTO AND JANE R.DOE 15 EVERYWHERE STREET ANYWHERE, CA 95899 </td> </tr> </table>		PAY TO THE ORDER OF TAX COLLECTOR COUNTY OF SACRAMENTO AND JANE R.DOE 15 EVERYWHERE STREET ANYWHERE, CA 95899	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center; padding: 2px;">PARCEL NUMBER</th> <th style="text-align: center; padding: 2px;">CNTY</th> <th style="text-align: center; padding: 2px;">CITY</th> </tr> <tr> <td style="text-align: center; padding: 2px;">16-3109-22-1</td> <td style="text-align: center; padding: 2px;">34</td> <td style="text-align: center; padding: 2px;">0</td> </tr> </table>		PARCEL NUMBER	CNTY	CITY	16-3109-22-1	34	0	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center; padding: 2px;">DOLLARS</th> <th style="text-align: center; padding: 2px;">CENTS</th> </tr> <tr> <td style="text-align: center; padding: 2px;">\$</td> <td style="text-align: center; padding: 2px;"></td> </tr> </table>		DOLLARS	CENTS	\$	
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16-3109-22-1	34	0														
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ELIG. 1ST 78/79 TYPE: A TIMELY: 1 RECORDED LIEN NO. I.D. 123 - 45 - 6789																
THE INTEREST RATE FOR TAXES POSTPONED FOR 2000/01 F.Y. IS _____% SIMPLE INTEREST PER ANNUM.																
STATE CONTROLLER																
STATE OF CALIFORNIA																
2ND INSTALLMENT – FY 00/01 DUE BY APRIL 10, 2001 CERTIFICATE VOID AFTER 6-30-01		<u>90-1342</u> 1 2 1 1		CERTIFICATE NUMBER 050-093081												
CERTIFICATE OF ELIGIBILITY FOR PROPERTY TAX POSTPONEMENT																
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STATE CONTROLLER																

**Denied
Application**

If your application is not approved, you are responsible for the payment of your taxes to the county tax collector. If the county does not receive your payments by December 10, 2000, and April 10, 2001, the county will assess penalties to your account.

**Refund of Paid
Taxes**

If your claim is approved and you have already paid your current year's taxes, or if they are paid by a lender through an impound, trust or similar account, the amount you postpone will be refunded to you from the county tax collector's office. Contact your county tax collector if you do not receive your refund within 60 days from the date the tax collector's office receives your signed Certificates of Eligibility.

**Lost or Destroyed
Certificates**

If your certificates are lost or destroyed, write to the State Controller's Office by June 30, 2001, to request replacements. Include your name, Social Security number, and the address of the property. Mail your request to the address shown on page 5.

Required Documentation

Enclose with your property tax postponement claim form the documents that are required to substantiate your claim, as shown below.

Proof of Age

If you will be 62 or older on or before December 31, 2000, and are a first-time filer, you must submit proof of age. A copy of any of the following documents is acceptable if your age or birthdate is displayed on it:

- Driver's license
- Birth certificate
- Delayed birth certificate
- Hospital birth record
- Marriage license
- Citizenship or naturalization papers
- Church record
- Military discharge record
- Social Security Form 2458
- Social Security award letter
- Medi-Cal card

Proof of Blindness or Disability

If you are blind and a first-time filer, you must submit proof of blindness. You are considered blind if there has been a medical determination that you have either of the following conditions:

- Central vision acuity (sharpness of vision) of no more than 20/200 with correction; or
- Tunnel vision, which is a limited visual field of 20 degrees or less.

If you are disabled, you must submit proof of disability each year that you file. You are considered disabled if you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than 12 months. You are considered disabled only if the physical or mental impairment is of such severity that you are unable to engage in not only your previous type of work but also, considering age, education and work experience, any kind of substantial gainful work.

Any one of the following documents may be submitted as proof of blindness or disability:

- A copy of your Medicare card
- A copy of a recent Social Security award letter
- A copy of a recent Supplemental Security Income payment decision
- A copy of a recent Form 2458 from the Social Security Administration, verifying age and status
- An original statement attesting to the blindness or disability signed by a physician, on the physician's letterhead, with a current date. The statement must include the dates and the nature of the blindness or disability and is acceptable only if you cannot provide any of the documents listed above.

Note: *A Medi-Cal card is not acceptable proof of disability.*

Other Required Documentation

A copy of your property tax bill is always required unless you are a tenant stockholder. (See Line 29, page 15.)

Additional documentation is required under the following situations.

- If your property is held in a trust, enclose a copy of the recorded trust agreement and amendments, if copies have not already been submitted.
- If you have rental income or loss, business income or loss, capital gain or loss, or adjustments to income, enclose a complete, signed copy of your 1999 Federal Tax Form 1040, along with supporting schedules.
- If you do not own your home but have a possessory interest in it, enclose a copy of the document granting you possessory interest.
- If you hold a life estate in the property, enclose written consent from the remainderman of the estate to postpone property taxes.
- If your residence is a mobile or floating home, enclose a copy of your current certificate of title and/or registration card.
- If your claim is signed by someone acting as attorney in fact, enclose a copy of the recorded power of attorney.